



Human Resources Division
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September 16, 2005

AGENDA ITEM 3

TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE

- I. SUBJECT:** 2005-2006 Performance Plan Measures for the Chief Executive Officer and Chief Actuary (Second Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the Second Reading of the 2005-2006 Performance Plans for the Chief Executive Officer and Chief Actuary
- IV. ANALYSIS:**

The Board of Administration's Compensation Policies and Procedures for the Chief Executive Officer, Chief Actuary, Chief Investment Officer and Investment Management Positions include a schedule for approving performance plans for the coming fiscal year. The performance plans for the Chief Executive Officer and the Chief Actuary are presented with this item for second reading.

In response to a request from the Committee, the Special Projects objective on the Chief Executive Officer's 2005-2006 performance plan reflects the specific special projects. Updates on special projects will be presented in the Chief Executive Officer's report at each Board Meeting. Any additions or changes to special projects will be reflected in the Chief Executive Officer's performance plan quarterly status reports and brought back to the Committee at future meetings.

V. STRATEGIC PLAN:

Under Goal II of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. Under Goal IV, the organization is dedicated to effectively utilizing its resources, including a diverse, creative, motivated, high performance workforce. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

VI. RESULTS/COSTS:

The establishment of performance plans is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

Chris O'Brien, Chief
Human Resources Division

Gloria Moore Andrews
Deputy Executive Officer - Operations

Attachments

**2005-2006 Performance Plans
for the
Chief Executive Officer and Chief Actuary**

Performance plans for the 2005-2006 Fiscal Year for the Chief Executive Officer and Chief Actuary are presented for second reading on the following pages:

<u>Position</u>	<u>Current Incumbent</u>
Chief Executive Officer	Fred Buenrostro
Chief Actuary	Ron Seeling